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October 4, 2004

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Zone, Reservoir A; Cotton Valley Formation,
Reservoir A; and Lower Cotton Valley Zone,
Reservoir A; ELM GROVE FIELD, Bossier and
Bienville Parishes, Louisiana.

Dear Sir:

J-W OPERATING COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Zone, Reservoir A; to the Cotton Valley Formation, Reservoir A; and to the Lower Cotton Valley Zone, Reservoir A; in the Elm Grove Field, Bossier and Bienville Parishes, Louisiana:

Lower Cotton Valley Zone, Reservoir A

1. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Lower Cotton Valley Zone, Reservoir A, such unit being shown on an attached plat and being designated LCV RA SU87.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed additional unit in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
3. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 361-E, effective July 16, 1996, as amended and supplemented by the Order No. 361-E series of Orders, to the proposed additional unit.
4. To discuss such other matters as may be pertinent.

Hosston Zone, Reservoir A,
Cotton Valley Formation, Reservoir A, and
Lower Cotton Valley Zone, Reservoir A

1. To authorize Applicant to drill, designate and utilize a unit well and three (3) alternate unit wells each for HOSS RA SU68, CV RA SU74 and for LCV RA SU87, at the locations shown on the attached plats.
2. To approve exceptions to the well location provisions of Office of Conservation Order No. 361-A-1, effective October 1, 1972 (applicable to the Hosston Zone, Reservoir A), Office of Conservation Order No. 361-B, effective October 1, 1973 (applicable to the Cotton Valley Formation, Reservoir A), and Office of Conservation Order No. 361-E, effective July 16, 1996 (applicable to the Lower Cotton Valley Zone, Reservoir A), for any of the proposed wells the location of which, as shown on the attached plats, does not comply with the well location provisions in said Orders.
3. To find that each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.
4. To designate J-W Operating Company as operator of HOSS RA SU68, CV RA SU74 and LCV RA SU87.
5. To approve the downhole combination of production from the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Zone, Reservoir A, or any combination thereof, in the wellbore of any well drilled on LCV RA SU87, CV RA SU74 and HOSS RA SU68 in which the ownership interests in the intervals to be combined downhole are identical.
6. To discuss such other matters as may be pertinent.

The Hosston Zone, Reservoir A, in the Elm Grove Field was defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A series of Orders.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field was defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B series of Orders.

The Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field was defined in Office of Conservation Order No. 361-E, effective July 16, 1996.

Pertinent data concerning this application is available for inspection at the offices of Mr. Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person

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wishing to inspect such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party. Any questions related to the location of any of the proposed wells should be directed to Ms. Janet Sanford at J-W Operating Company (972) 233-8191.

By letter dated September 22, 2004, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set October 14, 2004, as the tentative date for the pre-application conference. No request for the conference was received; therefore, no pre-application conference was held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats (which are identical to the plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Elm Grove Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

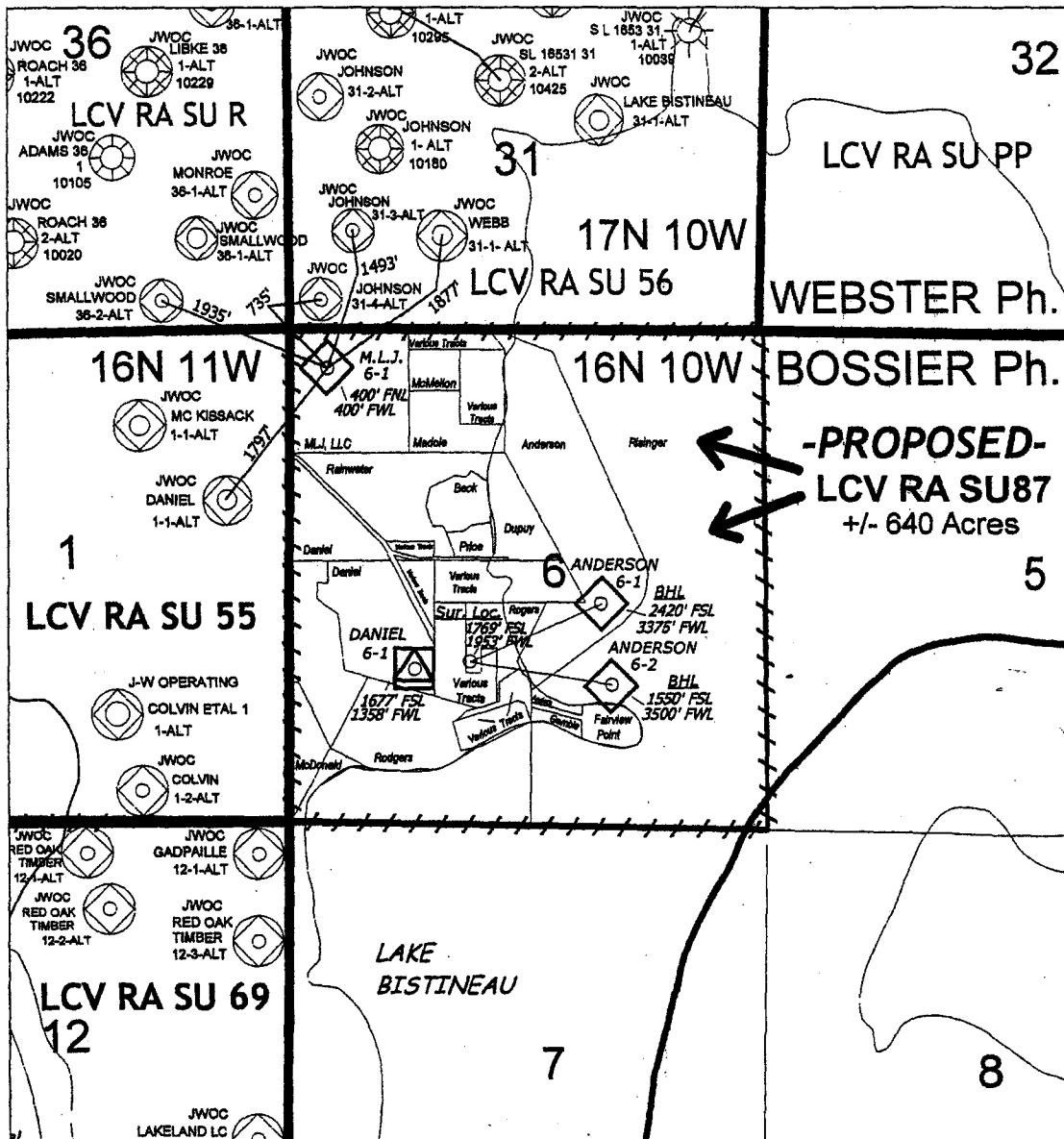

David L. Smelley

-- Attorney for J-W Operating Company

DLS:dp

Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Jerry Wooten (w/encls.)
Ms. Janet Sanford (w/encls.)
Mr. Joe B. Adams (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plats only)



LEGEND

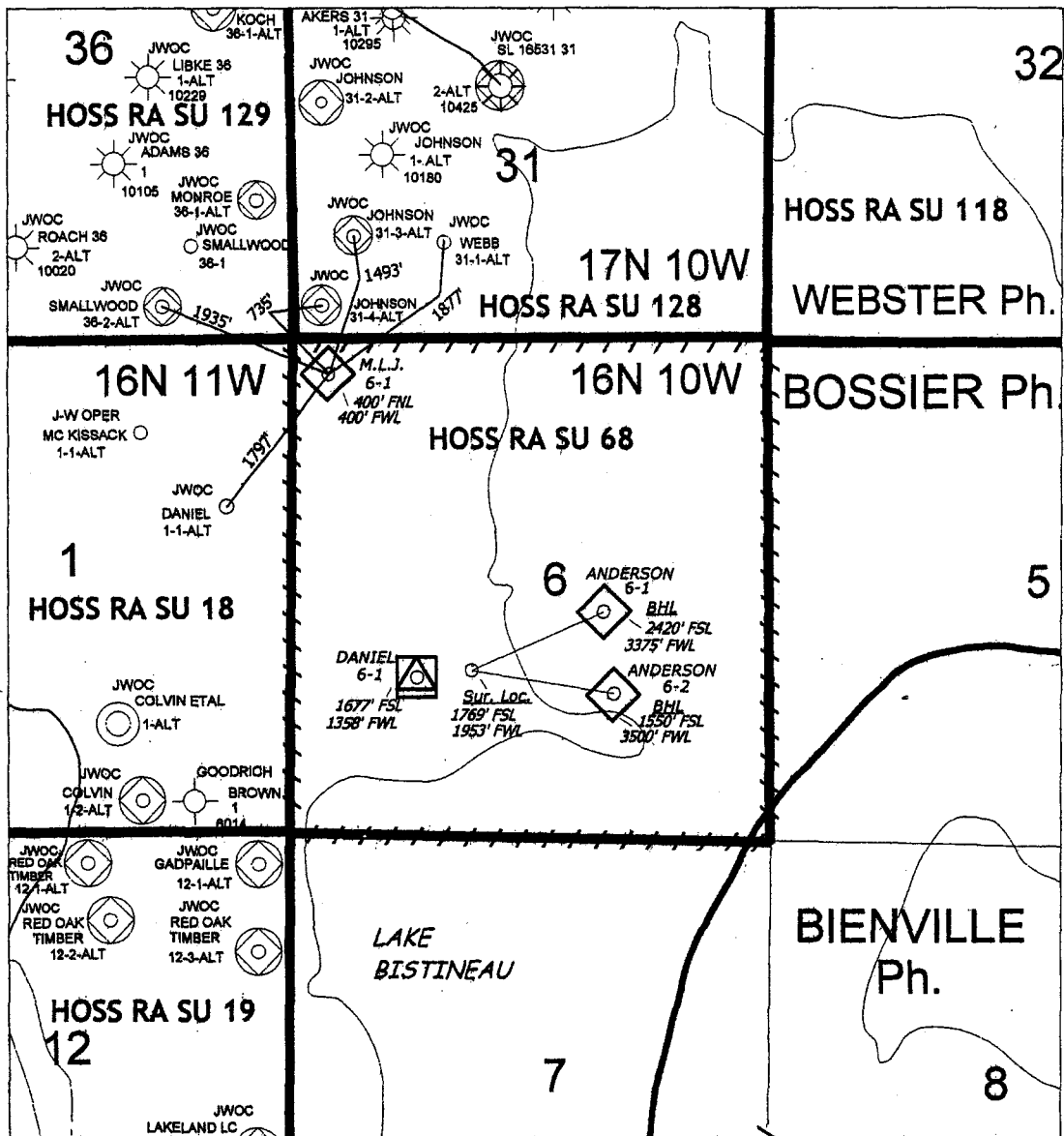
- Existing Units 361-E series
- Proposed Unit Well
- Unit Well
- Proposed Alternate Unit Well
- Approved Alternate Unit Well
- Proposed Unit Boundary
- Posted Wells > 8300'

J-W OPERATING COMPANY

Unit Plat - Lwr. Cotton Valley Zone
Reservoir "A" Elm Grove Field
Bossier & Bienville Phs., La.

Date:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1"=2000'	04-??





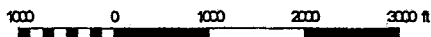
LEGEND

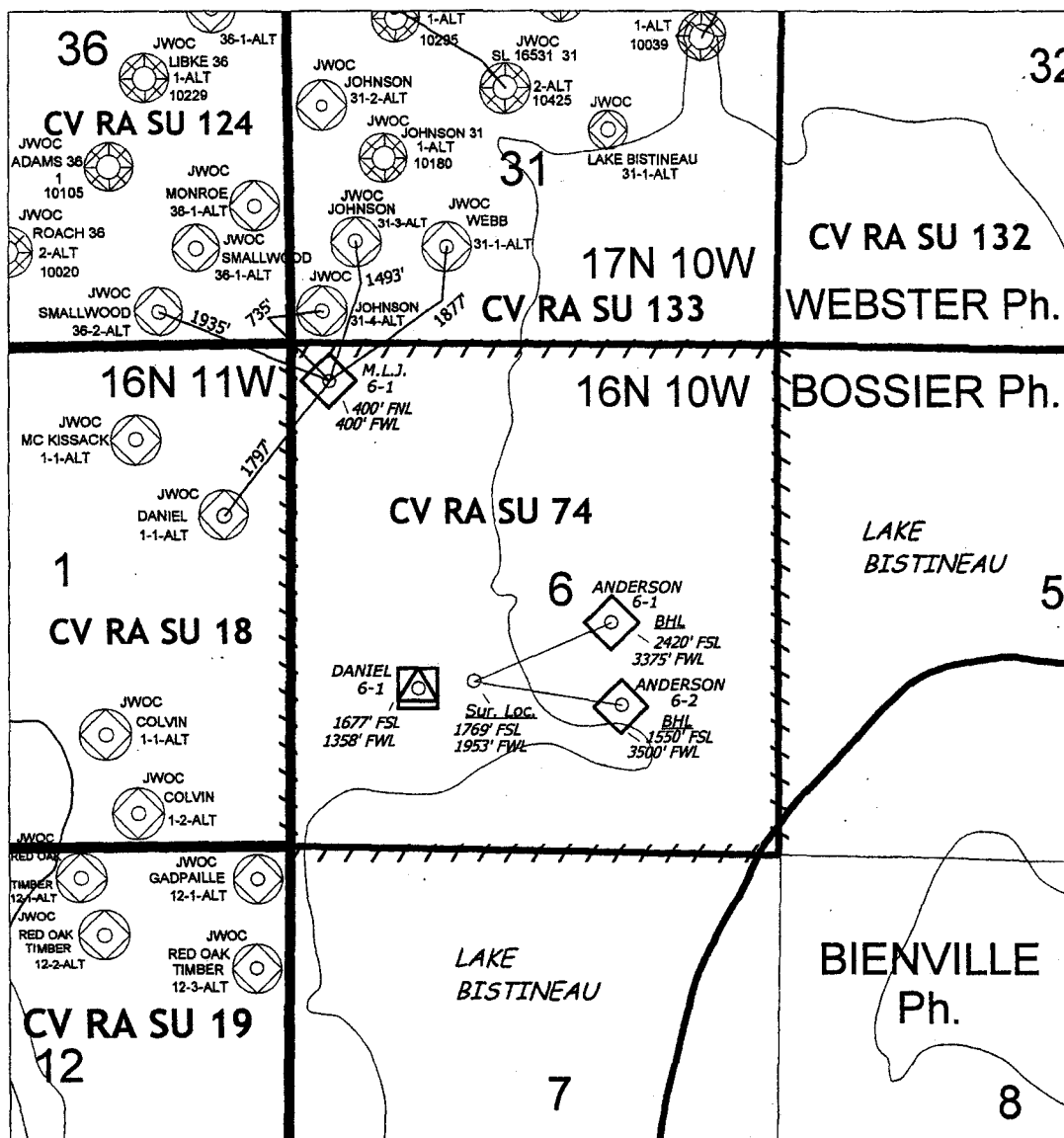
- Existing Units 361-A series
- △ Proposed Unit Well
- Unit Well
- ◇ Proposed Alternate Unit Well
- ⊙ Approved Alternate Unit Well
- Posted Wells > 6000'

J-W OPERATING COMPANY

Unit Plat - Hosston Zone
Reservoir "A" Elm Grove
Bossler & Bienville Phs., La.

Date:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" = 2000'	04-77





LEGEND

- Existing Units, 361-B series
- ⊠ Proposed Unit Well
- ⊙ Unit Well
- ◇ Proposed Alternate Unit Well
- ⊙ Approved Alternate Unit Well
- Posted Wells > 8300'

J-W OPERATING COMPANY.

Unit Plat - Cotton Valley Formation
Reservoir "A" Elm Grove Field
Bossier & Bienville Phs., La.

Date:	Witness: Joe Adams	Docket Nos.
Exhibit 1	Scale: 1"= 2000'	04-??

2000 0 2000 4000 6000 ft